

Susan Bransfield

First Selectman

Town of Portland

Testimony before the Planning & Development Committee

February 18, 2009

As First Selectman for the Town of Portland and Chair of the Board of Directors of the Connecticut Council of Small Towns (COST), I urge your support for Re: **HB-5560, AN ACT CONCERNING THE MUNICIPAL SHARE OF THE REAL ESTATE CONVEYANCE TAX.**

This bill makes permanent the increase in the municipal conveyance tax, which provides a significant revenue source for our town as well as other towns and cities across the state. Cuts in state aid have forced towns to rely on property taxes to fund costs for core programs and services, such as education and special education, town roads and bridges and other infrastructure and maintenance costs, municipal employee wage and benefit packages and economic development projects. At the same time, state and federal law are placing increasingly costly mandates on towns and cities without providing us with any of the tools to meet our obligations under those mandates.

The municipal conveyance tax is one source of revenue that is helping towns meet our obligations to provide those core services. For many years, the state has already collected one-half of one percent (0.50%) on most real estate transactions. Even though the transaction is strictly a municipal transaction, the towns and cities are were only getting 0.11% and recently 0.25%. This increase, which is still only half of what the State of Connecticut receives, has been a critical revenue source over the past few years.

Towns need to be able to rely on a stable revenue stream, such as the conveyance tax, in order to appropriately plan budgets to meet future town needs. We therefore urge lawmakers to make this tax permanent so that we don't have to keep fighting every one or two years to continue this important source of revenue.